

EMERGENCY PROGRAM FOR TORRENTIAL RAINS, FLOODING AND LANDSLIDES

(VE-0122)

EXECUTIVE SUMMARY

Borrower:	The Bolivarian Republic of Venezuela	
Executing agency:	The Ministry for Planning and Development	
Amount and source:	IDB (OC):	US\$20 million
	Local:	US\$20 million
	Total:	US\$40 million
Financial terms and conditions:	Amortization period:	25 years
	Disbursement period:	1 year
	Grace period:	5 years
	Commitment:	9 months
	Interest rate:	Variable
	Inspection and supervision:	1%
	Credit fee:	0.75%
	Currency:	US dollars from the Single Currency Facility
Objectives:	The purpose of the project is to restore basic services and to take urgent measures to avert additional losses to persons and property from torrential rains, floods and landslides mainly in the central littoral of the country.	
Description:	This project is designed to provide resources for urgent operations including the clearing of debris, demolition of buildings, the inspection and stabilization of buildings and bridges and, in general, the repair of infrastructures for such services as drinking water supply, sanitation, flood control systems (repairs and additions that can be carried out quickly to protect, strengthen and restore dikes, containing walls and drainage works) and roads. In addition, studies will be done for the drawing up of plans of action for rehabilitation and construction, and institutional support will be provided to the Program Coordinating Unit and for the development of the disaster prevention system.	

The Bank's country and sector strategy:	When natural disasters occur with exceptional consequences, the Bank supports its member countries in their responses to alleviate unforeseen effects on the population and mitigate the socioeconomic and environmental impact. The proposed program is consistent with the policy on emergencies created by natural disasters (GP-92-15) and with the emergency reconstruction facility for support in natural disasters (GN-2038-2).
Environmental and social review:	The policy followed is that set forth in document GN-2038-2, emergency reconstruction facility for support in unforeseen natural disasters.
Benefits:	Resumption as soon as possible of basic services to the victim population and a beginning on restoration of the basic economic infrastructure in the region stricken by the disaster, reduction of the damage to sources of employment, and the prevention of additional losses to persons and property.
Risks:	<p>The complexity arising out of the large number of institutions involved in execution. To mitigate this risk the Ministry for Planning and Development has been designated the executing agency, responsible for monitoring the program, and will be supported by other government institutions responsible for sectors involved in the disaster, and by the existing executing units of other programs financed by the Bank.</p> <p>Inadequate debris removal. The large volume of debris produced by the torrential rains and landslides needs to be removed to dumps where it will not be a source of problems later on. The topography of the stricken areas offers few locations suitable as dump sites. The Ministry of the Environment and Natural Resources (MARN) will make a specific study of locations for temporary dumps (see paragraph 4.11), including a safe sanitary landfill for special wastes. The structural management of those dumps will be considered in the context of future actions.</p>
Special contractual clauses:	<p>Contractual conditions for execution:</p> <ol style="list-style-type: none"> Establishment of a revolving fund of up to the equivalent of 20% of the loan proceeds (see paragraph 5.3). Recognition of up to US\$10 million in expenditures as part of the local counterpart contribution (see paragraph 5.2). Retroactive financing of up to US\$10 million from the loan proceeds. To this end, contracts for up to US\$500,000 involving direct contracting may be recognized. (see paragraph 5.2).

- d. Accounting and financial auditing on quarterly basis as from the date of signature of the loan contract (see paragraph 4.14).

**Social equity
and poverty
reduction
classification:**

Though the program is not intended to reduce poverty levels, the greatest suffering has been inflicted on the low-income sector owing to its limited ability to recover from the losses of its housing and household effects and of its sources of employment. As this project has no specific targeting mechanisms and focuses more on action in immediate response to the disaster and on the planning of the reconstruction phase, it does not meet the Bank's criteria for operations directed at social equity enhancing or poverty reduction.

**Exceptions to
Bank policy:**

None.

Procurement:

Procurement procedures for emergency projects (GP-92-15).

The use of international competitive bidding procedures will be required for the procurement of goods in amounts over US\$350,000 and for the contracting of works in amounts over US\$5 million. In addition, international competitive bidding will be employed for the contracting of consultancies in amounts over US\$200,000. Procurements not requiring international public bids will be reviewed ex post by the Bank's country office.